



Education
cc J.V.

Prime Minister (2)

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

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2 March 1983

The Rt Hon George Younger MP
Secretary of State for Scotland
New St Andrews House
St James Centre
EDINBURGH EH1 3SX

MS

George Younger

PAY OF PRIMARY AND SECONDARY TEACHERS IN SCOTLAND

I was grateful for your letter of 11 February confirming that the approach of the Scottish local authority employers in negotiations with the teachers would be consistent with that described in Keith Joseph's letter of 9 February in respect of England.

Since then I gather that the Scottish employers have moved ahead of their English counterparts, in that they have already made a 3½ per cent offer (on 17 February). But I understand that following the local authority manuals' settlement of almost 4.9 per cent, there is now a clear prospect that a similar offer will be made to and accepted by the Scottish teachers at their next negotiating meeting on 4 March. The negotiators apparently feel this is an obvious figure for a settlement, since it is also the latest year-on-year increase in the RPI.

However, a 4.9 per cent settlement with the Scottish teachers would be an obstacle to a lower settlement with teachers in England and Wales whose next Burnham meeting falls on 10 March. And similar pressures on other public service pay negotiations could then follow, with the risk of settlements significantly higher than we might otherwise have hoped to achieve.

I am sure that you are well aware of all this, and you will have no doubt spoken already to the employers to let them know of your concern. But the outcome of the Scottish negotiations has now acquired particular importance and I should be grateful if you would consider whether there is anything else you can do to encourage a lower settlement than seems likely at present. Even a settlement slightly below that of the local authority manuals would at least avoid reinforcing the impression that their figure was the current 'going rate'.

I am copying this letter to the Prime Minister, the Secretaries of State for Education, Employment, Wales and the Environment and to Sir Robert Armstrong.

GEOFFREY HOWE

Geoffrey Howe

2 - MAR 1983

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